

REMARKS

BY

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Thank you very much, Judge Bowman, and all of you. Chief Judge Lay, Mr. Justice Blackmun, Attorney General Meese, other distinguished guests, all the members of the conference:

I do want to take just a moment to say once again how deeply I appreciate the presentation that you made to me yesterday, and nothing that I have received means more to me.

The privilege of working in Washington with so many wonderful, dedicated people has meant a great deal to me over the last 10 years. And two of them are present here and will be speaking to you later this morning.

Anyone who has ever seen Justice Blackmun presiding over and moderating justice seminars at the Aspen Institute -- or talking to students with his coat off and sleeves rolled up in the center foyer of Washington University Law School -- can appreciate the humanity and basic decency of this great man.

Similarly, I have come to know Ed Meese well during his term as Attorney General, meeting with him frequently, traveling with him, seeing him bring the law enforcement community at the state and local levels into cooperation with the federal system, and taking night rides to the Law Enforcement Explorer Scouts to talk about the future of law enforcement. It makes me very proud to know people like this who care about our citizens as individuals and are thinking, by working with our younger people, about the future of this country in trying to interest and draw them into helping and supporting it. It makes me feel very good.

Last year when I talked to you, I was fresh on the job, and I told you about what I thought I was getting into. Maybe this morning I can tell you after 14 months what I think I have actually gotten into.

It has been an extraordinary 14 months for me. I cannot remember, perhaps because I was not then so intimately involved, a time when there have been so many regional developments and conflicts surfacing almost simultaneously around the world -- the arms control initiatives, the important Soviet withdrawal from Afghanistan, all the problems in Central America, the Persian Gulf situation, the situations in Mozambique, Angola, and Cambodia, the emergence of the People's Republic of China in the area of munitions delivery systems -- a whole range of issues.

But what has not changed since I visited with you is my belief that the integrity of any organization of government can only be maintained by absolute fidelity to our Constitution, to our laws, and to our rules -- rules that are justifiably imposed to assure our citizens that we in intelligence are indeed accountable. I do not think the CIA is exempt from this principle. In fact, I believe that it is the key to public acceptance of our vitally important work.

My good friend, Vernon Walters, our Ambassador to the United Nations and former Deputy Director of Central Intelligence, says that the American people are ambivalent about intelligence. When they feel threatened, they want a lot of it. And when they do not feel threatened, they think it is somehow immoral. We work in that atmosphere and we try to address their concerns. And at this particular time in our history, I think the American people do want a lot of intelligence. But they want it obtained in a moral and legal way.

When I came to the CIA, I said that I intended to work closely with policymakers to put truth into action. I'd like to talk today about what we

at CIA have done during the past 14 months to make good on that promise. We have made significant changes, and I'll describe to you what we've changed, how that has affected our day-to-day operations, and the steps we have taken to promote trust while protecting sources and methods and improving our effectiveness.

A year ago as I talked to you, the Agency was being subjected to the most searching inquiry into its part in what has come to be known as the Iran-Contra affair. I knew then that how we responded to the facts revealed in the various inquiries into Iran-Contra could significantly affect our ability to recapture the trust we deserved, resist intolerable new legislative restrictions, and retain the resources needed to carry out our assignments. At the same time, I knew that whatever administrative actions I took must be just and must be based upon our own existing rules -- not imposed from the outside and not carried out precipitously to appease an angry Congress or a critical press. This internal review took about eight months and was headed by a special counsel I appointed, Russell Bruemmer. Russ Bruemmer was a former law clerk here in St. Louis, was my former Special Assistant at the FBI for two years, and at the time of his appointment was a partner in the Washington firm of Wilmer, Cutler and Pickering. I asked him not to conduct a new investigation, but to gather all of the inquiries, review all the depositions, study all of the congressional and executive reports, talk to anyone else he needed to in order to flesh out his report, and tell me what the record showed had happened. He did an admirable job, and he is now my General Counsel.

After this careful internal review, I determined that as an institution we had performed well -- that there was no systemic disrespect for authority, rules, and guidance. But it was also apparent that there had been some violations of Agency rules and some lack of candor. I ordered disciplinary actions in several cases. In each case, discipline was based upon serious violation of existing regulations or failing to give candid responses to our Inspector General and to committees of Congress charged by law with oversight of our work.

Partly in response to legitimate criticism and partly as a result of our own internal assessments, we have made a number of management improvements in the past year. These include new guidelines for internal monitoring and review of covert operations, new guidelines for those in CIA who testify before Congress, and new guidelines for formulating intelligence assessments without political biases. I have also strengthened the Inspector General's Office by bringing in our most talented, senior-level intelligence officers throughout the Agency to serve on the Inspector General's staff, and making such service a key to further advancement in the CIA. And I have determined that the Inspector General shall hold the rank of Deputy Director and shall report directly to me.

I see the Inspector General's charter as broader than it has been before. In addition to the normal inspection, investigation, and audit activities, I see the Inspector General -- in a positive, constructive sense -- directly involved in improving overall Agency management, ensuring accountability and discipline, and encouraging even greater quality of performance. The

Inspector General will also play a significant role in developing our top managers and leaders of tomorrow.

In addition, we have brought together operations officers, analysts, and security officials in a new Counterintelligence Center. Counterintelligence is of vital concern to our current national security efforts around the world. And we have moved to address this very serious problem. This is an area where I think we had substantial vulnerabilities.

Another great concern is the security of our embassies abroad, and I think you are familiar with those problems, especially concerning our embassy in Moscow. Responding to Presidential directives, I have established a new independent office to report to me on security conditions overseas. This office was worked out with the Secretary of State but is independent of the Secretary of State, and assures a quality, professional approach to security needs. Much needs to be done in this area; there is bureaucratic resistance within the State Department. And I think that considerable effort by Secretary of State Shultz and me will be necessary before this program becomes fully effective. But we are proceeding full bore in that direction.

To make certain that our collection efforts and analysis are responding to the needs of policymakers, I meet frequently with individual policymakers to be sure that we are, in fact, responding to consumer needs. I have a regularly scheduled appointment with the President every two weeks, and obviously we meet more often on occasions when we're in group sessions. I meet once a week with Frank Carlucci at breakfast and George Shultz at lunch where we have an opportunity to be sure that the intelligence is serving the needs of the principal policymakers. And I have a regular weekly meeting with

Colin Powell at the National Security Council. I attend all National Security Planning Group meetings and chair the National Foreign Intelligence Board meetings. So there is a good opportunity to know whether our product is responding to consumer needs.

I'd like to tell you more about how some of those changes we have made affect our day-to-day operations and to consider other changes, recently proposed, that may affect us in the near future.

I'll begin with covert action, because, although covert action traditionally claims a very small portion of the work that we do -- only about three percent -- these activities are the focus of the greatest congressional attention and probably account for 99 percent of all our problems.

The review process is going very well. Earlier in the week, I briefed the President on all existing covert actions and my senior officials were on the Hill briefing the Congress as a part of a regular review.

I want to emphasize that it is the foreign policy of the United States that is invoked when we are called upon to use covert activity. We are asked to do it, and we are asked to do it in support of U.S. foreign policy, not the CIA's foreign policy. Under the Hughes-Ryan Amendment, the President must find that each covert action is important to the national security before the operation can be initiated. The CIA's Covert Action Review Group, known as the CARG, must meet to review all proposed findings -- this is before it even goes forward to the National Security Council. At that meeting, aside from all of the logistical questions that are asked, the committee is instructed before it makes a recommendation to me, to review such questions as: is it consistent with the overt foreign policy of this country? If it is exposed,

will it make sense to the American people? And, will it work? If they can't answer those questions in the affirmative, then we don't go forward. When the project has been formulated and passes the CARG screening effort, it goes to the National Security Planning Group -- that's the Secretaries of State, Defense, and Treasury; the Attorney General; the national security adviser; the President and Vice President -- and again is subjected to the same kind of tests. So the President has the opportunity to hear from everyone before he makes his finding.

Under law it is our duty to notify the intelligence committees of the House and Senate -- in a timely fashion -- of any significant intelligence activities. This includes any activities requiring a Presidential finding. Just what constitutes timely is a matter of concern both to Congress and to the Administration. The House is considering, and the Senate has approved, legislation that would require notification of a special activity to Congress within 48 hours of a Presidential finding. And just last month I spoke to another House committee, the House Foreign Affairs Committee, presenting the Administration's view of this same issue.

I anticipate that the President will veto legislation that requires the CIA to notify Congress of all covert operations within 48 hours. There have only been three occasions in memory where Congress was not notified within 48 hours and all of them involved Iran. Nevertheless, there is a serious constitutional question about this legislation. It is not my problem to argue, but it is there and it creates tension between the two branches of government -- and that's one of the themes of your conference. Additionally, some allowance must be made for that rare case where limited delay in



congressional notification is critical to preserve the absolute security of an operation -- when, for example, lives are at stake and third-country sources, which supply the information and provide the opportunity to save lives, refuse to allow us to convey that information to the Congress.

The President, in his National Security Decision Directive issued last summer, provides that if he does not notify Congress within 48 hours, he must review that decision every 10 days. In my experience on the bench and in the exercise of discretion, I think that the emphasis on review is key. If you exercise discretion, you don't exercise it without review. And in this case, the President has agreed that his decision will be reviewed every 10 days until Congress can be notified.

I think that is a fair solution. It does not appear at the present time that this sentiment is shared by a majority of those in Congress, but I do expect that the President will veto legislation that eliminates our ability to accept information on restricted conditions.

I don't want to suggest that we in any way are at war with Congress: quite the reverse. The CIA's relationship with Congress -- on this and other issues -- is crucial. Because I know of the need to be absolutely candid with Congress, and the responsibility that intelligence professionals have to protect sources and methods, I have established guidelines governing our dealings with Congress. And I have made it absolutely clear that in dealing with Congress there is no excuse for deception.

There may be some questions that the Agency officials who brief Congress will have to refer back to me. They've been told when to demur and say they have to refer back to Headquarters before answering those questions. And I

think that's appropriate. I am prepared to take the heat or work out arrangements with Congress after that occurs. But we will not give half-answers or around-the-corner answers. If there is a problem, we will say there is a problem, and that we cannot answer the question at this time. But we will not leave the Congress feeling that in some way we have been disingenuous with them. I think tension between Congress and the executive branch will always exist, but we will be able to work it out if there is an element of trust in the honesty of the statements we make. This, I think, is very similar to the obligation of candor that lawyers have to a court. When that obligation is understood and applied, there are very few situations that cannot be worked out.

After a year of experience and a few scars, I'm still convinced that is the right way to go. And the amount of information we provide to Congress is substantial. Fifteen years ago, we gave 175 briefings to Congress. Last year alone, we gave over 1,000 briefings to the House and Senate on a variety of topics. These topics included arms control issues, international terrorism, narcotics trafficking -- even the spread of AIDS in Africa. In the last year, the CIA sent over 5,000 intelligence reports to Congress.

While I believe that the oversight responsibilities exercised by Congress are both necessary and beneficial, there are instances where information pertaining to national security must not be released outside the congressional oversight committees. This includes information that could jeopardize lives, or information that threatens the means by which we protect ourselves.

The disclosure of sophisticated technical systems or cryptographic information alerts a hostile nation to the need to develop countermeasures and

can seriously hamper our intelligence collection efforts. In signals intelligence, for example, if one sensitive piece of information is published, it could put an entire intelligence collection system that took years to develop out of use. An enormous amount of time, planning, and money would be required to replace it.

Not too long ago there was a brief flurry of news stories purporting to be based on classified intelligence -- information indicating that the Soviets had carried out certain military experiments. The stories were largely inaccurate. Some officials confirmed the story, one denied it, and yet another corrected the initial story. The statements by these officials served to heighten speculation and to sustain public focus on matters involving highly sensitive U.S. intelligence collection techniques.

After these stories were published, even though they were wrong, the Soviets took countermeasures which limited our access to this type of intelligence. In short, even though the information discussed by these U.S. officials was incorrect, the net result was a further loss for U.S. intelligence.

The formidable challenges we face -- providing crucial support to policymakers, implementing foreign policy through covert action, and protecting sources and methods -- argue the necessity of attracting top people into intelligence. We are fortunate in that last year, over 100,000 men and women expressed interest in working for the Central Intelligence Agency. We still have the protests on the campuses, although they do not, in my view, carry the passion of the '60s. Interestingly enough, these protests often work in our favor. Our recruitment centers are inundated with resumes after

campus demonstrations. But we're not responsible for the campus demonstrations.

Our machines, our systems, and our satellites are the wonders of the age. But intelligence is preeminently an affair of people. It is the caliber of the men and women of American intelligence -- their creativity, determination, brilliance, and courage -- that spells the difference between success and failure.

I hope that we continue to attract those best suited to carry out our mission -- people who are risk takers but not risk seekers. People who are dedicated and responsive to our law and discipline. People who understand and play by the rules. People to whom fame and fortune is not particularly a necessary part of their life, but who can find in our work an avenue to pursue their highest aspirations for a safer and a better world.

With such people we can continue to provide the intelligence that policymakers need, observing the rules of oversight and accountability that both the Congress and the members of the Intelligence Community have a right to expect. This is what you would want of us, what all American people would want of us, and we are doing our very best to provide it to you.